



## EXECUTIVE DEPARTMENT

EXECUTIVE ORDER NO. KBB 2005 - 40

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***LIMITED TRANSFER OF AUTHORITY TO COMMISSIONER OF INSURANCE  
AND RULES DIRECTIVE FOR PATIENTS COMPENSATION FUND***

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- WHEREAS,** pursuant to the Louisiana Homeland Security and Emergency Assistance and Disaster Act, R.S. 29:721, *et seq.*, a state of emergency was declared through Proclamation No. 48 KBB 2005;
- WHEREAS,** subsequently, Hurricane Katrina struck the state of Louisiana resulting in severe flooding and damage to the southeastern part of the state, which has threatened the safety and security of the citizens of the affected areas of the state of Louisiana, along with private property and public facilities;
- WHEREAS,** the Louisiana Homeland Security and Emergency Assistance and Disaster Act, R.S. 29:721, *et seq.*, confers upon the governor of the state of Louisiana emergency powers to deal with emergencies and disasters, including those caused by fire, flood, earthquake or other natural or man-made causes, to ensure that preparations of this state will be adequate to deal with such emergencies or disasters, and to preserve the lives and property of the citizens of Louisiana;
- WHEREAS,** in accordance with R.S. 29:724, the governor may suspend the provisions of any regulatory statute prescribing the procedures for conduct of state business, or the orders, rules, or regulations of any state agency, if strict compliance with the provisions of any statute, order, rule, regulation would in any way prevent, hinder, or delay necessary action in coping with the emergency; and
- WHEREAS,** pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5206, a similar federal declaration of emergency was declared for affected parishes;
- WHEREAS,** thousands of families and businesses have suffered damages due to the hurricane and its aftermath and many of such families and businesses have had to re-locate temporarily due to mandatory or voluntary evacuations and/or damage to their dwelling or office rendering it uninhabitable and certain healthcare provider networks, or portions thereof, have collapsed;
- WHEREAS,** in addition to the displacement of thousands of citizens, Hurricane Katrina has also resulted in mass interruption of communication including phone service, internet service and the delivery of mail in numerous areas throughout southeast Louisiana;
- WHEREAS,** in the ordinary course of business, insurance companies send notices to their insureds, many of such notices are required by law to be responded to within specified time limits with consequence for failure to do so;
- WHEREAS,** state law, in many instances, also provides requirements for the approval and denial of claims by insurers that compliance therewith is not practical for the thousands of displaced insureds and necessary third parties such as healthcare provider networks;
- WHEREAS,** in addition, the Patients Compensation Fund Oversight Board similarly collects surcharges from enrolled and/or qualified healthcare providers for coverage

under Louisiana's Patient's Compensation Fund which will yield similar issues for healthcare providers regarding notice of and remittance of payment thereof;

**WHEREAS,** the commissioner of Insurance has advised the governor that citizens in fourteen parishes are at risk with regard to any and all kinds of insurance; and

**WHEREAS,** the commissioner of Insurance has requested that the governor use her authority to authorize him to suspend laws regarding legal deadlines and certain processes and procedures as it applies to Louisiana citizens who on August 29, 2005, resided in certain parishes regarding any and all insurance matters, including but not limited to, flood insurance, life insurance, commercial general insurance, property and casualty insurance, vehicle insurance, liability insurance, burglary and forgery insurance, glass insurance, homeowner's insurance, health and accident insurance, health maintenance organizations, fire and extended coverage insurance, crop and livestock insurance, marine and transportation insurance, credit life insurance, health and accident insurance, all surplus lines insurance, reciprocal insurance, reinsurance, credit property and casualty insurance;

**NOW THEREFORE I, KATHLEEN BABINEAUX BLANCO,** Governor of the state of Louisiana, by virtue of the authority vested by the Constitution and laws of the state of Louisiana, do hereby order and direct as follows:

**SECTION 1:** The commissioner of Insurance shall have limited transfer of authority to act according to the requirements for implementation of Emergency Rule 15 (Title 37, Part XI, Chapter 27). The governor's authority pursuant to R.S. 29:724 to suspend provision of any regulatory statute prescribing the procedures for conduct of state business, or the orders, rules or regulations of the Department of Insurance is transferred to the commissioner of Insurance for purposes of enacting and enforcing Emergency Rules 15 (Title 37, Part XI, Chapter 27).

**SECTION 2:** The commissioner of Insurance shall have limited transfer of authority to act according to the requirements for implementation of Emergency Rule 16 (Title 37, Part XI, Chapter 27). The governor's authority pursuant to R.S. 29:724 to suspend provision of any regulatory statute prescribing the procedures for conduct of state business, or the orders, rules or regulations of the Department of Insurance is transferred to the commissioner of Insurance for purposes of enacting and enforcing Emergency Rules 16 (Title 37, Part XI, Chapter 27).

**SECTION 3:** The commissioner of Insurance shall have limited transfer of authority to act according to the requirements for implementation of Emergency Rule 17 (Title 37, Part XI, Chapter 27). The governor's authority pursuant to R.S. 29:724 to suspend provision of any regulatory statute prescribing the procedures for conduct of state business, or the orders, rules or regulations of the Department of Insurance is transferred to the commissioner of Insurance for purposes of enacting and enforcing Emergency Rules 17 (Title 37, Part XI, Chapter 27).

**SECTION 4:** This limited transfer of authority referenced in Sections 1, 2, and 3 specifically includes, but is not limited to, the authority to suspend applicable statutes, issue any rules, regulations, directives or take any other actions that the commissioner deems necessary to protect the public health, safety, and welfare of the citizens of Louisiana, who were affected by Hurricane Katrina and on August 29, 2005 resided in the following parishes: Jefferson; Lafourche; Livingston; Orleans; Plaquemines; St. Bernard; St. Charles; St. James; St. John the Baptist; St. Mary; St. Tammany; Tangipahoa; Terrebonne; and Washington.

**SECTION 5:** Any rules, regulations, directives or any other actions taken by the commissioner of Insurance shall have the full force and effect as if said rules, regulations, directives or any other actions were issued by the governor of the state of Louisiana.

**SECTION 6:** The governor of the state of Louisiana shall retain her power, coterminous with the power transferred to the commissioner of Insurance, to issue any rules, regulations, directives or take any other actions with regard to any and all

insurance matters necessary to protect the public health, safety and welfare of the citizens of Louisiana.

- SECTION 7:** This limited transfer of authority shall remain in full force and effect for the duration of the state of emergency and/or any subsequent state of emergency declared thereafter, with regard to the disaster caused by Hurricane Katrina and its aftermath. Additionally, any rules, regulations, directives or any actions taken by the governor or the commissioner of Insurance during the state of emergency is in effect or any subsequent state of emergency is declared, shall remain in full force and effect notwithstanding the lifting of the state of emergency.
- SECTION 8:** The Department of Insurance Emergency Rule Nos. 15, 16, and 17 are hereby declared to be part of this Order, and authorizes if necessary, the suspension of any laws, rules, and regulations necessary for the implementation and enforcement of such laws, rules and regulations.
- SECTION 9:** All emergency orders, rules, regulations, directives or any other actions taken by the commissioner of Insurance referenced in the Order shall be publicized according to law and posted on the Department of Insurance website at [www.ldi.state.la.us](http://www.ldi.state.la.us).
- SECTION 10:** The Patient~~s~~ Compensation Fund Oversight Board is hereby directed to adopt emergency rules regarding a temporary suspension of payment of surcharges by healthcare providers who practice or operate in disaster affected areas in order for such coverage of the fund to continue. Such rules shall be publicized according to law and posted on the Patient~~s~~ Compensation Fund website at [www.lapcf.state.la.us](http://www.lapcf.state.la.us).
- SECTION 11:** All departments, commissions, boards, offices, entities, agencies, and officers of the state of Louisiana, or any political subdivision thereof, are authorized and directed to cooperate with the implementation of the provisions of this Order.
- SECTION 12:** This Order is effective upon signature and shall continue in effect until amended, modified, terminated, or rescinded by the governor, or terminated by operation of law.



**IN WITNESS WHEREOF**, I have set my hand officially and caused to be affixed the Great Seal of Louisiana, at the Capitol, in the city of Baton Rouge, on this 19th day of September, 2005.

**/S/ Kathleen Babineaux Blanco**  
**GOVERNOR OF LOUISIANA**

**ATTEST BY**  
**THE GOVERNOR**

**/S/ Al Ater**  
**SECRETARY OF STATE**